



Department of Justice

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JUSTICE DEPARTMENT REQUIRES ADM TO WITHDRAW FROM JOINT VENTURE TO PROCEED WITH ACQUISITION OF MINNESOTA CORN PROCESSORS

WASHINGTON, D.C. — The Department of Justice today announced that it will require Archer-Daniels-Midland Company (“ADM”) and Minnesota Corn Processors, LLC (“MCP”) to dissolve a joint venture with a competing corn wet miller in order for ADM to proceed with its proposed \$634 million acquisition of MCP. The Department said the acquisition, as originally proposed, would have substantially lessened competition by reducing the number of independent competitors in the corn wet milling industry to four and making coordination among the remaining firms more likely.

The Department’s Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the lawsuit and the Department’s competitive concerns.

Currently, ADM competes with four other firms to sell corn syrup and high fructose corn syrup in the United States and Canada. One of ADM’s competitors is MCP’s joint venture with Corn Products International, Inc (“CPI”).

“The dissolution of the MCP/CPI joint venture will ensure that purchasers of corn syrup and high fructose corn syrup continue to receive the benefits of competition -- lower prices,” said Charles A. James, Assistant Attorney General in charge of the Department’s Antitrust Division.

Corn syrup and high fructose corn syrup products, manufactured by wet mill processing of corn, are important sweeteners for the food and soft drink industry. In the wet milling process, corn kernels are soaked in water, then ground and separated from other components of the kernel, producing a starch slurry. Corn wet millers further process the starch slurry into sugars, producing various corn sweeteners such as corn syrup and high fructose corn syrup. Together, ADM and the MCP/CPI joint venture would have accounted for a large share of the corn syrup and high fructose corn syrup markets.

The proposed consent decree requires ADM and MCP to give notice to CPI to dissolve the joint venture, allowing CPI immediately to compete independently of the merged ADM/MCP. Dissolution of the joint venture must be completed by December 31, 2002. The decree does not alter any of the joint venture's obligations to customers from preexisting contracts or commitments.

ADM, which has its principal offices in Decatur, Ill., is a publicly held corporation that processes and sells agricultural products. It operates three corn wet milling plants in the United States. ADM reported total revenues in 2001 of \$20 billion, including more than \$1 billion from sales of corn wet milled products in the United States.

MCP has principal offices in Marshall, Minn., and operates two corn wet milling facilities. MCP's revenues in 2002 exceeded \$600 million, including approximately \$400 million from the sale of corn wet milled products.

As required by the Tunney Act, the proposed consent decree, along with the Department's Competitive Impact Statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a 60-day comment period to

Roger W. Fones, Transportation, Energy & Agriculture Section, Antitrust Division, U.S.

Department of Justice, 325 7th Street, NW, Suite 500, Washington, D.C. 20530.

At the conclusion of the 60-day comment period, the court may enter the consent decree upon a finding that it serves the public interest.

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